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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ZAGREB 000009

SIPDIS

E.O. 12958: DECL: 01/05/2020

TAGS: [PGOV](#) [HR](#)

SUBJECT: PM'S BOLD MOVE AGAINST EX-PM IS A STRONG SIGNAL
AGAINST CORRUPTION

REF: ZAGREB 000006

Classified By: Poloff Daniel Meges for reasons 1.4 (b) & (d)

11. (SBU) SUMMARY: Prime Minister and chief of the Croatian Democratic Union (HDZ) Jadranka Kosor announced on the evening of January 4 that the HDZ presidency had decided to strip former Prime Minister Ivo Sanader of his membership in the party. Kosor emphasized that Sanader's criticism of the party leadership during his January 3 press conference not only sowed discord in the party, but threatened the stability of the coalition government and therefore required sanction. Kosor's decision to remove Sanader was backed by three-quarters of the HDZ leadership, with only three of Sanader's closest associates opposing the action. Sanader's ouster has proven popular with the public, and the HDZ's coalition partners have universally hailed the move as positive. Kosor's actions strengthen her hand within the party, and local media are portraying the intra-party drama as part of an effort to combat corruption at all levels of government. END SUMMARY

12. (U) After a 10 hour meeting of HDZ leaders on January 4, Prime Minister Jadranka Kosor announced the revocation of former Prime Minister and HDZ chairman Ivo Sanader's party membership. Her comments emphasized that his removal was spurred by his unprecedented and unwarranted criticism of the HDZ leadership during his January 3 press conference, which violated party statutes, sowed discord within the party ranks, and threatened overall government stability. Kosor's move to oust Sanader received the support of 16 members of the HDZ presidency. Bianca Matkovic, currently Minister Without Portfolio, and MP Petar Selem abstained, while Sanader's close personal friends Speaker of Parliament Luka Bebic, MP Mario Zubovic, and former Deputy PM Damir Polancec opposed Sanader's removal. Sanader, for his part, commented to the media that he would accept the party's decision "if it is to the benefit of the HDZ."

13. (U) Early polls and numerous commentaries indicate that the public is solidly behind Kosor's marginalization of Sanader. Similarly, the HDZ's coalition partners all have indicated that the decision to remove him was appropriate and even necessary to assure their continued support for the HDZ-led government. President Mesic also voiced support for Kosor's action, saying that it was a "logical" reaction to Sanader's attempt to wrest control of the party and the government away from Kosor.

14. (C) Following the meeting with HDZ leaders, Kosor postponed seeing the HDZ's coalition partners until January 5 and instead met with Interior Minister Tomislav Karamarko and Chief State Attorney Mladen Bajic. While no formal statement was issued after this meeting, local media report the trio discussed several ongoing corruption scandals that could lead back to Sanader. This meeting is consistent with the pledge made to post on January 4 by the PM's office that Sanader's return would not disrupt the GoC's anti-corruption efforts. (reftel) In fact, the PM's office referred post to a New

Year's message from Kosor to the public that called on Croatians to stand together to fight for the rule of law as they did in the 1990s to defend their country. Kosor emphasized in several public venues recently that she would be relentless in fighting corruption and that "no one would be above the law."

5 (C) In response to Sanader's move, the opposition Social Democratic Party (SDP), called for early elections. Nevertheless, the government seems able to maintain its majority in the parliament with the strong backing of the HDZ and their coalition partners. In addition, Mesic has come out against the idea of early elections. However, Sanader can still activate his seat in parliament even after having been expelled from the party. He may be able to rally HDZ MPs in sufficient numbers to threaten the stability of the government. (NOTE: By law, parliamentary mandates belong to the individuals who won them during the 2007 parliamentary election, and thus who can hold them as independent representatives even if they are no longer members of a party. As such, each of those individual who voted to support Sanader or abstained in the HDZ presidency vote could return to the Sabor as independent parliamentarians. End Note.)

16. (SBU) Thus far, Kosor has been careful to separate her handling of Sanader and her treatment of his closest supporters, seeking to promote unity within her own party as well as the coalition. Immediately after the press conference HDZ vice president Vladimir Seks indicated that Bebic--the most prominent HDZ official to support Sanader--was unlikely to face sanctions over his overt

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support for Sanader's return. Additionally, Kosor made a statement on January 5, after meeting with her coalition partners, that she still "had confidence in Bebic," and indicated that despite his contrary vote she expected him to respect the decision of the HDZ presidency. During a January 5 Christmas reception hosted by the Serb National Council, Kosor reiterated, to much applause, the importance of a united front in the face of the current economic crisis and the fight against organized crime and corruption.

17. (C) COMMENT: PM Kosor's decision to expel Sanader from the HDZ has received strong backing from her party, her coalition partners and the public. She has shed the last vestige of her image as a "soft" leader who lacks support within her party. Instead, she has emerged as a force to be reckoned with, someone who will take no prisoners in the fight against corruption. At the same time, her calibrated response to those closest to Sanader seems aimed at limiting the damage to the party and ensuring that HDZ MPs firmly support the government coalition, highlighting her commitment to constructive, not destructive change. END COMMENT
WALKER